Review of the Sustainable Finance Disclosure Regulation (SFDR)

Key Messages from the Insurance Industry

Insurance Europe supports a simpler, clearer and more predictable SFDR that works for consumers and supports insurers' role as long-term sustainable investors.

Why does it matter?

Clear communication with consumers

Current disclosures are long and complex. A simpler SFDR would help insurers provide information consumers can better understand and use to help them make informed investment decisions.

Insurers' sustainability role

Insurers play a key role in financing Europe's transition to sustainability by channelling citizens' savings into long-term investments. Managing €9.5 trillion in assets, with a substantial share allocated to EU corporate and sovereign bonds, insurers enable citizens to save for retirement and participate in capital markets while benefiting from protection features, including guarantees and risk-sharing mechanisms. The SFDR should appropriately recognise the sustainability characteristics of these long-term investment portfolios and support insurers' contribution to financing Europe's economy and sustainability transition.

What we welcome in the Commission's proposal?

- Simpler disclosures
- No entity-level reporting
- EC retains Level-2 powers
- Clearer categories
- No RTS for the DNSH principle

What still needs to be addressed?

- Ensuring an appropriate treatment of General-Purpose Sovereign Debts (GPSD)
- Preserve simplification by removing entity-level disclosures and keeping product-level PAI disclosures voluntary
- Provide a clear and workable regime for Multi-Option Products (MOPs)
- Retain flexible transitional arrangements for existing products, while allowing additional contributions from existing clients

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